GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:867
ANSWERED ON:19.07.2002
FARM SUBSIDIES BY DEVELOPED COUNTRIES
RAMSHETH THAKUR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the developed countries have adopted farm bills and increase in subsidies;

(b) if so, whether the move of the developed countries, such as non - tariff barriers and raising farm subsidies, has affected the trade balance of developing countries; and

(c) if so, the steps taken by the Government at international forum to protect the interest of our country as well as other developing countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) The US Government has adopted the Farm Security and Rural Investment Act, 2002 providing for increased domestic support to agriculture.

(b) & (c) It is reported that measures such as provision of increased domestic support and the application of non-tariff barriers by the developed countries could depress the international prices of the agricultural commodities and deny meaningful market access opportunities to the developing countries. In view of this, India in its negotiating proposals filed with the World Trade Organisation (WTO) has demanded substantial reductions in domestic support and elimination of export subsidies by the developed countries. In its proposals India has also demanded that developed countries should not be allowed to use Sanitary and Phyto Sanitary (SPS) measures for protectionist purposes. In Doha Declaration also, Ministers have decided to engage into negotiations aimed at substantial improvement in market access; reduction of, with a view to phasing out all forms of export subsidies; and substantial reduction in trade distorting domestic support.